

REQUEST FOR PROPOSALS – ACTUARIAL SERVICES

BACKGROUND

The Plymouth (MA) Retirement Board is seeking proposals for actuarial services. The Town of Plymouth Contributory Retirement System (“System”) is governed by the Plymouth Retirement Board (“Board”) and is the pension system serving the three (3) member units in Plymouth County, Massachusetts. The Board manages approximately \$230 million in assets and employs a staff of four (4) people in its office located in Plymouth, Massachusetts.

The most recent valuation completed by the Board is as of January 1, 2020. The unfunded liability of the System is \$175.9 million as of January 1, 2020. The System’s funding schedule calls for full funding of its system by 2035.

As of December 31, 2020, the System had 820 active participants, 166 inactive participants and 802 retired participants and beneficiaries within the retirement system.

The Board and System are governed by Chapter 32 of Massachusetts General Laws and is a member of the Massachusetts Contributory Retirement System. The Board is subject to the oversight of the Public Employee Retirement Administration Commission (“PERAC”).

GENERAL INFORMATION

Please direct any questions pertaining to this RFP on or before Friday, January 14, 2022 at 4:00 PM EDT, via e-mail to:

Wendy Cherry
Plymouth Retirement System
212 South Meadow Road, Unit #3
Plymouth MA 02360
E-Mail: wendy@plymouthretirement.com

Availability of RFP:

The RFP is available up to the proposal deadline by visiting <https://www.plymouthretirement.com>

Proposal deadline: Thursday, January 20, 2022 at 4:00 PM EDT. Late proposals will not be accepted. All proposals must be submitted to Wendy Cherry.

Please ensure adequate time for delivery. Proposals received after the deadline will be rejected.

INSTRUCTIONS TO PROPOSERS

Proposers shall submit seven original copies and one electronic copy of their proposal. No amendments will be accepted after the closing date and time. Proposers mailing materials should allow adequate time to assure timely arrival.

All proposals must be complete in all respects. The Board reserves the right to request additional information or clarifications to any proposal. The Board may, in its sole discretion, determine that a proposal has failed to meet all of the criteria required by this RFP and may disqualify that proposal, provided, however, that the Board shall notify the respondent in writing prior to the issuance of any award under this RFP.

The Board further reserves the right to waive any minor informality as defined in Massachusetts General Law Chapter 32, § 23B in any proposals received. The determination as to whether or not to make an award as a result of this RFP shall be at the sole and absolute discretion of the Board.

Proposers will be required to submit their proposals in two, sealed envelopes. One envelope must contain the Fee Proposal contained as Appendix A in this RFP. The Fee Proposal will be opened separately after the Board has reviewed the qualifications of all firms. The second envelope will contain the firm's qualifications and forms as required in this RFP.

The two envelopes should be clearly marked, with the envelope containing your qualifications and the response to the requirements of this RFP stating:

RESPONSE TO ACTUARIAL CONSULTING SERVICES RFP

FIRM NAME:

And the envelope containing your price proposal stating:

RESPONSE TO ACTUARIAL CONSULTING SERVICES RFP – PRICE PROPOSAL

FIRM NAME:

The submission must be signed by authorized individual(s).

Proposals shall be opened in the presence of one (1) or more witnesses at the Board's office on Friday, January 21, 2022, 9:00 AM EDT.

Proposers must submit all required information, forms and attachments as specified in this RFP.

An individual or firm may correct, modify, or withdraw a bid by written notice received by the Board prior to the Submission Deadline. Modifications must be submitted in a sealed envelope clearly labeled "Modification No.____." Each modification must be numbered in sequence, and must reference the original submission.

After the Submission Deadline, provisions of the bids may not be changed in a manner prejudicial to the interests of the System or fair competition. The submission cost proposal must remain firm for 90 days after the Submission Deadline.

The Board expects to award a contract by Friday, April 29, 2022. The Board reserves the right to cancel this RFP, or to reject in whole or in part any and all submissions, if the Board determines that cancellation or rejection is in the best interests of the System. Proposers acknowledge that the Board shall not be liable for any fees incurred in the preparation of their proposal.

The anticipated time-line for this procurement is listed below, although the Board reserves the right to change any aspect of this schedule at any time.

Proposed Time-Line: The current schedule for this procurement is as follows:

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| RFP Issue Date | Monday, December 13, 2021 |
| Correspondence & Questions due no later than: | Friday, January 14, 2022, 4:00 PM EDT |
| Submissions of RFP due no later than: | Thursday, January 20, 2022, 4:00 PM EDT |
| Proposals Opened: | Friday, January 21, 2022, 9:00 AM EDT |
| Proposals presented to the Board | Friday, February 25, 2022 (estimated date) |
| Interviews, if necessary: | Friday, March 25, 2022 (estimated date) |
| Contract to be awarded no later than: | April 29, 2022 (estimated date) |
| Contract signed no later than: | May 27, 2022 (estimate date) |

The term of the contract shall not exceed seven (7) years, with the Board reserving its right to terminate the contract for any reason with thirty (30) days written notice.

Submission Contents: The submission will contain the following items:

1. Name of your firm, address and telephone number of the home office, and address of the office(s) providing services under the contract.
2. Provide a general description of the firm including size, number of employees, primary business, other businesses or services, and type of organization (franchise, partnership, corporation, etc.).
3. Identify the staff actuary (ies) who will render services under the contract, including a summary of their professional qualifications and experiences, and any specific experience performing actuarial valuations for and/or providing actuarial services to public pension systems created by M.G.L. c. 32.
4. Identify the actuary (ies) who would have direct contact with the Board.
5. Identify non-actuarial professional personnel who would perform work under the contract, including a summary of their professional qualifications and experiences.
6. State the availability and location of staff and other required resources for performing all services responsive to this RFP and whether current staff is capable of performing the services described in the RFP.

7. Identify the M.G.L. c. 32 public pension plans for which the actuary (ies) identified in items #3 and #4 above have provided actuarial services within the last three (3) years. Provide the name, title, address and telephone number of the person responsible for the administration of each plan.
8. List any formal complaints, claims, legal actions or other proceedings filed with the regulatory agencies, administrative agencies, arbitrators or courts against the individual or entity as a result of actuarial services provided by the firm and/or its actuaries within the last five (5) years.
9. Provide a detailed description of the proposed method whereby the proposer and the Board will determine each of the actuarial assumptions to be employed in performing the valuation.
10. Provide a detailed description of the methods and procedures to be used in editing and “cleaning” the member data that will be provided by the Board. Be sure to describe in detail your proposed method of accounting for missing data elements such as age or service.
11. Describe the format in which the results of the valuation will be presented. Please submit an example of a valuation report.
12. Propose a time schedule for the completion of the valuation and the associated forecast schedules. Indicate that the time schedule will be binding. Completion dates shall be proposed in terms of a specified period of time after receipt of all member data that the Board maintains in machine-readable form and receipt of relevant asset data from the Board. Proposers are advised that time is of the essence for this project.
13. No agreement may be awarded unless all forms required by this RFP shall be completed. Further, no agreement may be awarded unless all of the requirements are met as set forth in Chapter 32, Section 23B. In addition to the forms required in this RFP, a Proposer must submit the PERAC Vendor Certification Form as provided on PERAC’s website at www.mass.gov/perac. This is an interactive form that all Proposers must complete and submit with their proposal. **No award will be made without the following certification signed as part of the response:**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club, or any other organization, entity, or group of individuals.

SCOPE OF SERVICES

The Governmental Accounting Standards Board requires a valuation be performed at least every two years for financial reporting purposes and PERAC recognizes a private valuation as meeting the requirements in M.G.L., c. 32 § 21(3), provided that the PERAC staff has the opportunity to work with the private consultant.

The scope of services shall include *but are not limited to*, preparing actuarial valuations of the system on a two year schedule, and which will include:

- Establishment of reasonable actuarial assumptions,
- Assistance with the preparation of membership data for the evaluation,
- Analysis of membership data,
- Determination of the funded position of the system with costs and liabilities separated by department or governmental unit,
- Assessment of the need for refinements to the funding program,
- Preparation as needed of reporting and disclosure information as required by the Governmental Accounting Standards Board (GASB Statements 67 & 68), for audited financial statements, governmental agencies and other interested parties,
- Preparation of a written actuarial report with a recommended funding schedule in accordance with Sections 22D and 103 of MGL Chapter 32,
- Discussion of the funding schedule with PERAC,
- Preparation of a written Supplemental Report incorporating an alternative salary increase assumption, investment return assumption, and special funding schedules, and
- Periodic attendance at board meetings.

In addition to the actuarial valuation services listed above, proposers must also provide the cost of a COLA Base Study, to include an increase from the current COLA base of 3% of the first \$14,000 of the annual retirement allowance to \$16,000. This study should also address the impact to the funding schedule.

AGREEMENT

Proposers must submit a copy of your proposed contract (the Board reserves the right to amend, alter or replace your proposed contract at its discretion).

FEE PROPOSAL

A fee proposal form is contained in this RFP as Appendix A. Proposers must complete the Fee Proposal Form fully in order to be considered by the Board. The Fee Proposal should account for all of the services required in this RFP.

RULE FOR AWARD

The fee and non-fee proposals submitted in response to this RFP will be considered separately, opened separately and evaluated separately. The Board will evaluate the non-fee proposal prior to opening the fee proposal. Proposals will not be opened publicly but rather will be considered by the Board privately. All information will be released publicly upon completion of the selection process.

The Board will review the non-fee proposals and provide ratings based on the criteria contained in this RFP. Upon the completion of this review by the Board, the Retirement Administrator will open the fee proposals.

The Board will select the most advantageous proposal based on the ratings and written evaluations and the cost proposals. The most advantageous proposal may not be the lowest cost proposal and it may not have the highest composite ranking. The selected proposal will be based on the Board's evaluation of the costs and benefits associated with each proposal. The proposal selected will be that

which provides the best combination of quality and price for the System. The Board reserves the right to interview any Proposer for any purpose during this evaluation process. Further, the Board reserves the right to seek clarification on any aspect of any proposal as part of their review. No agreement for services under this RFP shall be executed until such agreement is authorized by the Board.

EVALUATION CRITERIA

Each proposal will be rated in the following manner and on the following criteria.

1. Experience of the Proposer in providing actuarial services to other public pension funds, with preference given to those firms with experience providing actuarial services to Massachusetts public pension funds subject to Massachusetts General Law, Chapter 32.

Highly Advantageous: The Proposer has ten (10) or more years of experience in providing actuarial services to Massachusetts public pension funds.

Advantageous: The Proposer has ten (10) or more years of experience in providing actuarial services public pension funds outside the Commonwealth of Massachusetts.

Not Advantageous: The Proposer has three (3) or less years of experience in providing actuarial services to public pension funds.

Unacceptable: The Proposer does not have experience in providing actuarial services to public pension funds.

2. The size of the firm, the experience of the actuaries and support staff and the availability of the staff that will be assigned to this contract.

Highly Advantageous: The firm is of such size and presents staff that is experienced and capable of providing high quality actuarial services as described in this RFP. The firm's location or availability is ideal for performing the services required by this RFP.

Advantageous: The firm is of such size and presents staff that has sufficient experience to provide the actuarial services as described in this RFP. The firm's location or availability is acceptable for performing the services required by this RFP.

Not Advantageous: The firm is of limited size and has not sufficiently described the staff or their experience relative to providing the actuarial services as described in this RFP. The firm's location or availability appears to be a hindrance in performing the services required by this RFP.

Unacceptable: The firm is not of sufficient size and has not described a sufficient level of experience to perform the services contained in this RFP.

3. Quality of the Proposal.

Highly Advantageous: The Proposer has submitted a proposal that is complete in all respects, follows the organization of the RFP and responds to all requirements. The Proposal is clear, concise and easy to understand.

Advantageous: The Proposer has submitted a proposal that is complete in all respects, generally follows the organization of the RFP and responds to all requirements.

Not Advantageous: The Proposer has submitted a proposal that is nearly complete in all respects, although it does not follow the organization of the RFP and responds to most of the requirements.

Unacceptable: The Proposer has submitted a proposal that is not complete and does not follow the organization of the RFP.

4. Methodology and Time Schedule for Completing the Valuation(s).

Highly Advantageous: The proposal clearly describes a reasonable and attainable schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal is clear and the data requirements are what are normally expected with a professionally performed actuarial valuation.

Advantageous: The proposal describes a schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal and the data requirements meet the minimum standards for the actuarial valuation required by this RFP.

Not Advantageous: The proposal does not provide a schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal is unclear and the data requirements do not meet the minimum requirements for the actuarial valuation required by this RFP.

Unacceptable: The proposal does not provide a schedule or a methodology to meet the minimum requirements of this RFP.

5. Annual Appropriation Assessment.

Highly Advantageous: The proposal describes the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC. The proposal commits to reviewing the data developed by the retirement system, performing calculations and responding to inquiries relative to the development of the annual appropriation assessment. The proposal also offers consulting services in support of exploring innovative assessment options that improve or change the manner in which the retirement system assesses its member units.

Advantageous: The proposal describes the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC.

The proposal commits to reviewing the data developed by the retirement system, performing calculations and responding to inquiries relative to the development of the annual appropriation assessment.

Not Advantageous: The proposal does not or does not clearly describe the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC. The proposal does not clearly commit to reviewing the data developed by the retirement system, performing calculations and responding to inquiries relative to the development of the annual appropriation assessment.

Unacceptable: The proposal does not contain any information relative to consulting services for the development and submission of the annual appropriation assessment information.

6. The Proposer's experience with PERAC.

Highly Advantageous: The Proposer has performed multiple valuations that have been accepted by PERAC and the proposer has demonstrated a long-standing ability to respond to direction from PERAC in the conduct of valuation studies.

Advantageous: The Proposer has performed some valuations that have been accepted by PERAC and the proposer has demonstrated some ability to respond to direction from PERAC in the conduct of valuation studies.

Not Advantageous: The Proposer has not performed valuations that have been accepted by PERAC and the proposer has not demonstrated the ability to respond to direction from PERAC in the conduct of valuation studies.

Unacceptable: The proposal does not address any prior experience with PERAC in the preparation of valuation studies.

APPENDIX A

FEE PROPOSAL FORM

Proposers must complete all portions of this form.

1. Total Fees

Actuarial Consulting Fees:

Fees for GASB

Statements No. 67 & 68:

Fees for COLA

Base Study:

Year 1: \$

Year 1: \$

Year 1: \$

Year 2: \$

Year 2: \$

Year 3: \$

Year 3: \$

Year 4: \$

Year 4: \$

Year 5: \$

Year 5: \$

Year 6: \$

Year 6: \$

Year 7: \$

Year 7: \$

Total Actuarial Fees: \$

Total GASB Fees: \$

Total Actuarial & GASB Fees for Years 1-7 will be considered the firm's total fee for this proposal.

2. All payments will be made on a quarterly fee basis and only upon receipt by the Board of a properly submitted and approved payment request and only after a vote of the Board approving said payment at a properly posted meeting held in accordance with the Open Meeting Law of the Commonwealth of Massachusetts.

APPENDIX B

CERTIFICATION

PURSUANT TO G.L c. 32, § 23B(k)(3)

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean a natural person, business, partnership, corporation, union, committee, club, or any other organization, entity, or group of individuals.

Signature

Title (duly authorized)